

UNITED STATES BANKRUPTCY COURT
Northern District of Ohio
Eastern Division, Akron

IN RE: MDG MEDICAL INC.
 Debtor

CASE No. 11-53162
 (if known)

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do no disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Questions 1-18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19-25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within the six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

None

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
\$3,707,118.00	Operation of business 2009
\$3,138,176.00	Operation of business 2010

2. Income other than from employment or operation of business

None

State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
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3. Payments to creditors

Complete a. or b., as appropriate, and c.

None

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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None

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,850. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
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See Attachment 3b

None

c. *All Debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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See Attachment 3c¹

4. Suits and administrative proceedings, executions, garnishments and attachments

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
State of Ohio v. Carter, Stacey J 2011 CR 00307 ²	Grand Theft, Felony 3 rd Degree	Aurora Police Department	Trial Scheduled
Zvi Levinhar, Gilead Asseo, Michael Cohen-Alloro, and David Haitin v. MDG Medical, Inc., 4202 Corporation, LSKW Investments, LP, Mark Saffran, Steven Schneier, Ken Tauber, Michael Siegel, and Jacob Schuster C.A. No. 4301-VCS	Litigation	Court of Chancery of the State of Delaware	To Be Inserted

¹. Compensation paid to insiders are set forth under Question 23; accordingly, payments are not included under Question 3c.

². Debtor is not a party to this proceeding but a victim of Stacey Carter, a former employee, theft of \$245,832.47 from Debtor.

None

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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5. Repossessions, foreclosures and returns

None

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE, SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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6. Assignments and receiverships

None

a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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None

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT, CASE	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
	TITLE AND NUMBER		

7. Gifts

None



List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE GIFT
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8. Losses

None



List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCE AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
\$245,832.47 In cash	Theft by Stacey Johnson Carter	Various Dates from 2009 – 8/16/2010

9. Payments related to debt counseling or bankruptcy

None



List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
McDonald Hopkins LLC 600 Superior Avenue East Suite 2100 Cleveland, OH 44114	8/8/2011 8/16/2011	\$25,000.00 \$2,500.00

10.a. **Other transfers**

None



a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFeree, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None



b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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11. **Closed financial accounts**

None



List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
Key Bank Pepper Pike, OH 44124-5724	Acct xxxxxxxxxxxx0186 Transferred to new account	\$4,967.35 06/2011

12. Safe deposit boxes

None



List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

None



List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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14. Property held for another person

None



List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
TLC Spring Water P.O. Box 606172 Cleveland, OH 44106	Water Cooler Value Unknown	1263 S. Chillicothe Road Aurora, OH 44202

15. Prior address of debtor

None



If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
3659 Green Road, #217 Beachwood, OH 44122	MDG Medical Inc.	2007 - 2010

16. Spouses and Former Spouses

None



If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information

For the purpose of this question, the following definitions apply:

“Environmental Law” means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

“Site” means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

“Hazardous Material” means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None



a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DEPOSITION
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18. Nature, location and name of business

None

a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within the **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOC. SEC. NO., COMPLETE EIN OR OTHER TAXPAYER I.D. NO.	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
MDG Medical Ltd.	N/A	2 Yodfat St. Northern Ind. Zone Lod 71271, Israel	Software Development	2001 - Present

None

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor; or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

None

a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
SS&G 32125 Solon Road Cleveland, OH 44139	2009 - 2011
Jennifer McElfresh 3984 Massillon Road Apt E Uniontown, OH 44685	09/2010 to Present
Jill Bals 313 Lake Breeze Cove Eastlake, OH 44095	03/2011 to Present
Stacey Jo (Johnson) Carter 29917 Elgin Road Wickliffe, OH 44092	2008 to 2011
Pat Mulloy 2160 Silveridge Trail Westlake, OH 44145	03/2008 to Present

None

b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICES RENDERED
SS&G	32125 Solon Road Cleveland, OH 44139	Year end 12/31/2009 and year end 12/31/2010

None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
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None

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS	DATE ISSUED
4202 Corporation 767 Fifth Avenue New York, NY 10153	Various
Life Sciences Capital 5 E. 42 nd , 8 th Floor New York, NY 10017	Various

20. Inventories

None

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
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None

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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21. Current Partners, Officers, Directors and Shareholders

None

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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None

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
Mark Saffran 4598 Lander Road Orange, OH 44022	President, CEO and Director	0%
Patrick Mulloy 2160 Silveridge Trail Westlake, OH 44145	Chief Financial Officer Director	0%
Kelli Turner c/o 4202 Corporation 767 Fifth Avenue New York, NY 10153	Director	0%
4202 Corporation 767 Fifth Avenue New York, NY 10153	Shareholder	79%
LSKW (c/o 4202 Corporation) 767 Fifth Avenue, Ste 4200 New York, NY 10153	Shareholder	12%
Life Sciences Capital 5 E. 42 nd , 8 th Floor New York, NY 10017	Shareholder	8%
Michael Siegal 767 Fifth Avenue New York, NY 10153	Director (Chairman)	1%
Francis Paez 6668 Winston Lane Solon, OH 44139	Sr. V.P. Operations	0%
Brian Babbitt 813 Bren Del Road Petoskey, MI 49770	Sr. V.P. Operations	0%

22. Former partners, officers, directors and shareholders

None

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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None

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Jacob Schuster c/o 4202 Corporation 767 Fifth Avenue New York, NY 10153	Director	12/31/2010

23. Withdrawals from a partnership or distributions by a corporation

None

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF RECIPIENT RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
Mark Saffran, CFO and President 4598 Lander Road Orange, OH 44022	Salary 8/2010 – 8/2011	\$225,000.00
Patrick Mulloy, CFO 2160 Silveridge Trail Westlake, OH 44145	Salary 8/2010 – 8/2011	\$140,000.04
Francis Paez, Sr. V.P. Operations 6668 Winston Lane Solon, OH 44139	Salary 8/2010 – 8/2011	\$162,000.00
Brian Babbitt, Sr. V.P. Marketing/Manufacturing 813 Bren Del Road Petoskey, MI 49770	Salary 8/2010 – 8/2011	\$124,999.92

24. Tax Consolidation Group

None

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

**NAME OF PARENT
CORPORATION****TAXPAYER IDENTIFICATION
NUMBER (EIN)**

25. Pension Funds

None

If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND**TAXPAYER IDENTIFICATION
NUMBER (EIN)**

MDG Medical Inc 401K Plan c/o Dana Shively CBIZ, Inc. 6050 Oaktree Blvd. Suite 500 Cleveland, OH 44131	26-3502933
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DECLARATION

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date August 16, 2011

Signature /s/ Mark H. Saffran
Name: Mark H. Saffran
Title: President and CEO

3 continuation sheets attached

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. § 152 and 3571

ATTACHMENT 3B
FORM 7. STATEMENT OF FINANCIAL AFFAIRS

In re MDG Medical Inc.

Case No. 11-53162

3b. Payments and transfers to creditors within 90 days aggregating more than \$5,850 (For Use by Business)

Type	Date	Num	Name	Amount	Aggregate Total
Bill Pmt -Check	06/03/2011	2544	3AM Technologies		8,875.17
Bill Pmt -Check	06/17/2011	2561	Ameritas Life Insurance	1,936.72	
Bill Pmt -Check	07/15/2011	2597	Ameritas Life Insurance	1,868.24	
Bill Pmt -Check	05/20/2011	2524	Ameritas Life Insurance	2,172.72	5,977.68
Bill Pmt -Check	06/29/2011	2579	Anthem BC BS	14,161.80	
Bill Pmt -Check	07/29/2011	2606	Anthem BC BS	14,781.96	
Bill Pmt -Check	05/26/2011	2537	Anthem BC BS	14,342.94	43,286.70
Bill Pmt -Check	06/10/2011	2556	Aspan Inc.	1,800.00	
Bill Pmt -Check	06/24/2011	2570	Aspan Inc.	1,800.00	
Bill Pmt -Check	07/08/2011	2589	Aspan Inc.	1,800.00	
Bill Pmt -Check	05/20/2011	2527	Aspan Inc.	1,200.00	
Bill Pmt -Check	05/05/2011	2437	Aspan Inc.	2,400.00	9,000.00
Payment	05/16/2011	42565	Ballinger Memorial Hospital	2,233.52	
Payment	06/20/2011	119658	Barnes Kasson Medical Center	6,433.25	
Payment	07/11/2011	44328	Bellville General Hospital	20,751.00	
Bill Pmt -Check	06/03/2011	2547	Citrix Online	6,151.53	
Bill Pmt -Check	05/13/2011	2507	Citrix Online	189.46	6,340.99
Bill Pmt -Check	07/08/2011	2590	Clinical Solutions Pharmacy		12,740.00
Bill Pmt -Check	07/01/2011	2582	CPA Global		10,814.43
Bill Pmt -Check	05/17/2011	2523	Delaware Secretary of State		5,866.00
Bill Pmt -Check	07/05/2011	wire	Duff & Phelps		55,690.00
Bill Pmt -Check	06/20/2011	ForeignWire	Globus Israel	122.04	
Bill Pmt -Check	06/20/2011	ForeignWire	Globus Israel	10,098.07	
Bill Pmt -Check	06/30/2011	wire	Globus Israel	6,094.20	16,314.31
Bill Pmt -Check	05/05/2011	2503	Harney Management Partneres	24,408.41	
Bill Pmt -Check	05/17/2011	wire	Harney Management Partneres	12,000.00	36,408.41
Bill Pmt -Check	06/30/2011	wire	I.Sherman Electronic Packaging Ltd.	3,328.69	
Bill Pmt -Check	05/03/2011	Wire	I.Sherman Electronic Packaging Ltd.	170,590.52	
General Journal	05/03/2011	Sherman5-4-	Adjust wire payment on 05-04-2011 for I.Sherman payables foreign currency translation	14,736.00	188,655.21
Bill Pmt -Check	06/03/2011	wire	Illya Korelov - Adam Spektor	3,583.13	
Bill Pmt -Check	06/22/2011	wire	Illya Korelov - Adam Spektor	3,150.00	
Bill Pmt -Check	06/17/2011	wire	Illya Korelov - Aleksey Timonin	5,600.00	
Bill Pmt -Check	07/14/2011	wire	Illya Korelov - Aleksey Timonin	7,000.00	19,333.13
Bill Pmt -Check	07/01/2011	ACH	Jane Simek - Contractor	6,250.00	
Bill Pmt -Check	07/29/2011	ACH	Jane Simek - Contractor	6,250.00	
Bill Pmt -Check	08/01/2011	ACH	Jane Simek - Contractor	308.00	
Bill Pmt -Check	08/08/2011	ACH	Jane Simek - Contractor	1,562.50	14,370.50
Bill Pmt -Check	06/10/2011	2557	Jodi Austin	4,188.45	
Bill Pmt -Check	07/15/2011	2596	Jodi Austin	3,807.95	7,996.40
Bill Pmt -Check	05/05/2011	2499	Jodi Austin Blumenthal		6,754.65
Bill Pmt -Check	06/17/2011	2564	McDonald Hopkins LLC	5,000.00	
Bill Pmt -Check	08/08/2011	ACH	McDonald Hopkins LLC	25,000.00	
Bill Pmt -Check	08/16/2011	check	McDonald Hopkins LLC	2,500.00	32,500.00
Bill Pmt -Check	07/01/2011	wire	Morris, Nichols, Varsht & Tunnell LLP	17,262.29	

ATTACHMENT 3B
FORM 7. STATEMENT OF FINANCIAL AFFAIRS

In re MDG Medical Inc.

Case No. 11-53162

3b. Payments and transfers to creditors within 90 days aggregating more than \$5,850 (For Use by Business)

Type	Date	Num	Name	Amount	Aggregate Total
General Journal	05/17/2011	paycor2-10	Morris, Nichols, Varsht & Tunnell LLP	54.00	
Bill Pmt -Check	05/20/2011		Morris, Nichols, Varsht & Tunnell LLP	0.00	
Bill Pmt -Check	05/20/2011		Morris, Nichols, Varsht & Tunnell LLP	0.00	17,316.29
Bill Pmt -Check	06/17/2011	2567	N-Able	3,338.00	
Bill Pmt -Check	06/24/2011	2576	N-Able	1,590.00	
Bill Pmt -Check	05/13/2011	2512	N-Able	2,727.00	7,655.00
Bill Pmt -Check	06/10/2011	2558	Nationwide Tech Solutions Inc.	3,130.00	
Bill Pmt -Check	07/01/2011	2583	Nationwide Tech Solutions Inc.	6,608.75	
Bill Pmt -Check	07/15/2011	2601	Nationwide Tech Solutions Inc.	8,408.75	
Bill Pmt -Check	05/13/2011	2519	Nationwide Tech Solutions Inc.	3,806.25	
Bill Pmt -Check	05/26/2011	2543	Nationwide Tech Solutions Inc.	2,950.00	
Bill Pmt -Check	05/05/2011	bill pay	Nationwide Tech Solutions Inc.	4,392.90	29,296.65
Bill Pmt -Check	06/06/2011	WIRE	Olga Karpov	4,166.67	
Bill Pmt -Check	06/17/2011	wire	Olga Karpov	4,166.67	
Bill Pmt -Check	06/30/2011	wire	Olga Karpov	4,166.67	
Bill Pmt -Check	05/05/2011	wire	Olga Karpov	0.00	12,500.01
Bill Pmt -Check	06/29/2011	2580	Principal Financial Life	2,132.50	
Bill Pmt -Check	07/29/2011	2607	Principal Financial Life	1,891.31	
Bill Pmt -Check	05/26/2011	2538	Principal Financial Life	2,259.76	6,283.57
Bill Pmt -Check	07/19/2011	ForeignWire	Shemer Metal Works LTD		7,383.10
Bill Pmt -Check	06/03/2011	2549	Uncle Shamus LLC	7,555.05	
Bill Pmt -Check	07/08/2011	2591	Uncle Shamus LLC	7,666.85	
Bill Pmt -Check	05/05/2011	bill pay	Uncle Shamus LLC	9,943.64	25,165.54
Bill Pmt -Check	06/03/2011	2553	Worldwide Express	1,889.47	
Bill Pmt -Check	06/17/2011	2568	Worldwide Express	1,735.07	
Bill Pmt -Check	07/01/2011	2585	Worldwide Express	2,785.99	
Bill Pmt -Check	07/08/2011	2593	Worldwide Express	1,956.98	
Bill Pmt -Check	05/13/2011	2518	Worldwide Express	3,335.49	
Bill Pmt -Check	05/20/2011	2536	Worldwide Express	3,385.93	
Bill Pmt -Check	05/26/2011	2542	Worldwide Express	1,753.28	
Bill Pmt -Check	05/05/2011	bill pay	Worldwide Express	3,708.80	20,551.01
Bill Pmt -Check	06/24/2011	wire	Yariv Fishman	3,000.00	
Bill Pmt -Check	06/30/2011	wire	Yariv Fishman	3,500.00	
Bill Pmt -Check	07/25/2011	ForeignWire	Yariv Fishman	2,000.00	
Bill Pmt -Check	06/03/2011	WIRE	Yariv Fishman	2,850.00	
Bill Pmt -Check	06/06/2011		Yariv Fishman	0.00	11,350.00
General Journal	05/17/2011	1511a	Yside LTD	1,836.00	
Bill Pmt -Check	06/06/2011	WIRE	Yside LTD	1,836.00	
Bill Pmt -Check	06/30/2011	wire	Yside LTD	1,836.00	5,508.00

ATTACHMENT 3C

FORM 7. STATEMENT OF FINANCIAL AFFAIRS¹

In re MDG Medical Inc.

Case No. 11-53162

3c Payments that were made either to a creditor or for the benefit of a creditor who is or was an "insider."

<u>1 Transfer of Funds to MDG Ltd. Israel¹</u>						
Type	Date	Num	Name	Memo	Split	Amount
General Journal	08/04/2010	11192189	MDG Ltd. Israel		Key Bank Checking Account	125,000.00
General Journal	08/05/2010	11192222	MDG Ltd. Israel		Key Bank Checking Account	10,000.00
General Journal	08/20/2010	11192227	MDG Ltd. Israel		Key Bank Checking Account	4,000.00
General Journal	08/25/2010	11192229	MDG Ltd. Israel		Key Bank Checking Account	265,000.00
General Journal	08/30/2010	11192233	MDG Ltd. Israel		Key Bank Checking Account	100,000.00
General Journal	09/27/2010	11192241	MDG Ltd. Israel		Key Bank Checking Account	300,000.00
General Journal	10/28/2010	11192256	MDG Ltd. Israel	intercompany transfer	Key Bank Checking Account	215,000.00
General Journal	11/22/2010	11192285	MDG Ltd. Israel	intercompany transfer	Key Bank Checking Account	75,000.00
General Journal	12/03/2010	11192290	MDG Ltd. Israel	INTERCOMPANY TRANSFER	Key Bank Checking Account	167,000.00
General Journal	12/10/2010	11192293	MDG Ltd. Israel	intercompany transfer	Key Bank Checking Account	60,000.00
General Journal	01/03/2011	11192304	MDG Ltd. Israel	transfer ti israel	Key Bank Checking Account	250,000.00
General Journal	01/12/2011	11192308	MDG Ltd. Israel	transfer to MDG israel	Key Bank Checking Account	16,000.00
General Journal	01/12/2011	11192310	MDG Ltd. Israel	transfer to israel	Key Bank Checking Account	8,483.50
General Journal	01/27/2011	11192317	MDG Ltd. Israel	transfer to IL	Key Bank Checking Account	460,000.00
General Journal	01/28/2011	11192320	MDG Ltd. Israel	transfer to IL	Key Bank Checking Account	75,000.00
General Journal	01/31/2011	11192310ADJ	MDG Ltd. Israel	To adjust IL pymt to correct amount see AJE 1192310 1/12/11	Key Bank Checking Account	360.00
General Journal	02/25/2011	11192338	MDG Ltd. Israel	transfer to IL	Key Bank Checking Account	416,427.00
General Journal	04/03/2011	1119258	MDG Ltd. Israel	Intercompany wire to MDG LTD.	Key Bank Checking Account	180,000.00
General Journal	04/20/2011	MDG YREND		Wire payments to Israel. \$43,590.95 to Shemer, \$36,816.68 to MDG LTD, and \$21,970.04 for Shibolet	Key Bank Checking Account	102,377.67
General Journal	05/10/2011	ISL 51011	MDG Ltd. Israel	Wire to MDG Medical Ltd. 50,000.00 NIS to be processed on 05112011	Key Bank Checking Account	146,151.82
General Journal	05/17/2011	1511b	MDG Ltd. Israel	Wire that was supposed to be \$2850.00 to MDG LTD to pay Yariv but IL woudnt pay Yariv so it was...	Key Bank Checking Account	2,850.00
General Journal	05/23/2011	1512	MDG Ltd. Israel	Wire \$75,000.00 worth of NIS to MDG Ltd.	Key Bank Checking Account	75,000.00
Transfer	06/10/2011		MDG Ltd. Israel	Funds Transfer	1320 · Interco Rec MDG Ltd.	50,000.00
Transfer	06/13/2011		MDG Ltd. Israel	Funds Transfer	1320 · Interco Rec MDG Ltd.	50,000.00
Transfer	06/14/2011		MDG Ltd. Israel	Funds Transfer	1320 · Interco Rec MDG Ltd.	50,000.00
Transfer	06/28/2011		MDG Ltd. Israel	4,856.07 NIS to MDG Ltd. 6/28/11	1320 · Interco Rec MDG Ltd.	1,425.91
Transfer	06/30/2011		MDG Ltd. Israel	Wire to MDG Ltd. 6/30/11	1320 · Interco Rec MDG Ltd.	118,168.00
General Journal	05/10/2011	ISL 51011	MDG Ltd. Israel	Wire to MDG Medical Ltd. 50,000.00 NIS to be processed on 05112011	Intercompany ReceivableMDG Ltd	146,151.82
General Journal	05/23/2011	1512	MDG Ltd. Israel	Wire \$75,000.00 worth of NIS to MDG Ltd.	Intercompany ReceivableMDG Ltd	75,000.00
<u>2 Payments made to Life Sciences Capital, LLC</u>						
Type	Date	Num	Name	Memo	Split	Amount
General Journal	08/05/2010	11192223	Life Sciences Capital LLC		Key Bank Checking Account	56,491.00
General Journal	10/07/2010	11192249	Life Sciences Capital LLC	LSC payment(8110 amort sched), interest & principal	Key Bank Checking Account	57,286.36
General Journal	10/29/2010	11192258	Life Sciences Capital LLC	LSC payment	Key Bank Checking Account	48,068.41
General Journal	11/05/2010	11192264	Life Sciences Capital LLC	LSC LOAN payment(10110 amort sched)	Key Bank Checking Account	58,092.36
General Journal	12/08/2010	11192291	Life Sciences Capital LLC	LSC loan payment (11110 amort sched)	Key Bank Checking Account	58,499.61
General Journal	01/04/2011	11192305	Life Sciences Capital LLC	LSC payment	Key Bank Checking Account	58,499.64
General Journal	01/28/2011	11192321	Life Sciences Capital LLC	LSC Loan payment	Key Bank Checking Account	58,909.73
General Journal	02/27/2011	11192341	Life Sciences Capital LLC	Isc loan paynemt	Key Bank Checking Account	59,322.74
General Journal	04/07/2011	1122346	Life Sciences Capital LLC	Note Payable Life Sciences Loan	Key Bank Checking Account	52,910.56
Patrick Mulloy			Patrick Mulloy	Proceeds from Personal Real Estate Sale were incorrectly deposited into Debtor's account by Bank instead of personal account of Patrick Mulloy. Transaction reflects the Debtor correcting Bank error.		

¹ Intercompany transfers in payment of certain debt of MDG Ltd. Israel, an entity 100% own by Debtor.